

REQUEST FOR DMPC DECISION – PCD 207**Title: Strategic Portfolio Transformation Partner****Executive Summary:**

This paper seeks approval to extend the provision of services from Deloitte as the MPS's Strategic Portfolio Transformation Partner. The MPS wishes to extend the contract by a further six months to enable the establishment of the new, in-house Transformation Directorate.

Recommendation:

The DMPC is asked to

1. Approve a six month extension to the provision of services from Deloitte as the MPS Strategic Portfolio Transformation Partner.

Deputy Mayor for Policing And Crime

I confirm I have considered whether or not I have any personal or prejudicial interest in this matter and take the proposed decision in compliance with the Code of Conduct. Any such interests are recorded below.

The above request has my approval.

Signature**Date**

1 / 6 / 17

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE DMPC

Decision required – supporting report

1. Introduction and background

- 1.1. The One Met Model is the MPS's major change programme aimed at ensuring the MPS is effective in keeping London safe in 2020 and beyond. To support this change process, the MPS in July 2016 appointed Deloitte as its Strategic Portfolio Transformation Partner to deliver three core transformation functions: Design, Portfolio Delivery and Business Change.
- 1.2. This would introduce the opportunity to create high quality transformation and programme management within the MPS, therefore reducing the reliance on costly consultants and contractors. Deloitte has been tasked with supporting the MPS to develop a design for a permanent in house Transformation Directorate which is based on industry best practice. The contract structure heavily incentivises Deloitte to build enduring and sustainable transformation capacity within the MPS.
- 1.3. Progress in completing the establishment of the new Transformation Directorate is less advanced than had initially planned, due to a longer than anticipated recruitment process. Coupled with the need to find candidates of the right quantity and quality there is now a need to extend the provision of services provided by Deloitte.

2. Issues for consideration

- 2.1. Without this extension it is unlikely that the MPS will be able to establish the new Transformation Directorate as required.

3. Financial Comments

- 3.1. The cost of this extension can be met from existing budget provision.
- 3.2. Further details are discussed in the Part 2.

4. Legal Comments

- 4.1. The NEPRO Framework Agreement is the preferred route to market for the continued appointment of a Strategic Partner to deliver consultancy services.
- 4.2. Paragraph 4.13 of the Scheme of Consent and Delegation requires that approval is obtained from the Deputy Mayor for Policing and Crime for all requests to go out to tender for contracts of £500,000 or above.

5. Equality Comments

- 5.1. There are no direct equality or diversity implications arising from this report

6. Background/supporting papers

- 6.1. Report.

Public access to information

Information in this form is subject to the Freedom of Information Act 2000 (FOIA) and other legislation. Part 1 of this form will be made available on the MOPAC website within 1 working day of approval. Any facts/advice/recommendations that should not be made automatically available on request should not be included in Part 1 but instead on the separate Part 2 form. Deferment is only applicable where release before that date would compromise the implementation of the decision being approved.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred ? NO

Part 2 Confidentiality: Only the facts or advice considered as likely to be exempt from disclosure under the FOIA should be in the separate Part 2 form, together with the legal rational for non-publication.

Is there a **part 2** form – Yes

If yes, for what reason: EXEMPT under Article 2(2)(a) of the Elected Local Policing Bodies (Specified Information) Order 2011.

ORIGINATING OFFICER DECLARATION:

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| | |
| Head of Unit: The Chief Financial Officer has reviewed the request and is satisfied it is correct and consistent with the MOPAC's plans and priorities. | ✓ |
| Legal Advice: The MPS legal team has been consulted on the proposal. | ✓ |
| Financial Advice: The Chief Financial Officer has been consulted on this proposal. | ✓ |
| Equalities Advice: No Equality and Diversity issues identified. | ✓ |

OFFICER APPROVAL**Chief Executive Officer**

I have been consulted about the proposal and confirm that financial, legal and equalities advice has been taken into account in the preparation of this report. I am satisfied that this is an appropriate request to be submitted to the Deputy Mayor for Policing and Crime.

Signature

R. Lawrence

Date

24/5/17

Investment Advisory Board

4th May 2017

STRATEGIC PORTFOLIO TRANSFORMATION PARTNER - WORK ORDER EXTENSION

Report by Robin Wilkinson on behalf of the Deputy Commissioner

EXECUTIVE SUMMARY

The Met appointed Deloitte as its Strategic Portfolio Transformation Partner in July 2016 to support delivery of the OMM2020 change portfolio and to build in-house transformation capability for the long term.

The shift of emphasis from delivery support to capability building is due to take place this month, however progress in putting in place a solid foundation for a new Transformation Directorate is less advanced than we had planned at this stage

As a result, switching to an incentivised capability building phase now, with so few MPS staff in place, may no longer be sensible.

This paper proposes options and recommends that DMPC approves a short extension to the current Work Order with Deloitte in both time and value.

A. RECOMMENDATIONS – That DMPC approves:

1. Additional capped funding, detailed in Part 2 of the paper, to extend the provision of services from Deloitte as the MPS Strategic Portfolio Transformation Partner.

B. SUPPORTING INFORMATION

Background

2. The Met is currently undergoing significant transformation in order to deliver its One Met Model (OMM) 2020 Blueprint. Whilst the Blueprint was developed prior to the formation of the Police & Crime Plan (PCP), the resultant change programmes have been shaped by the emerging PCP thinking and nothing in the portfolio conflicts with the new direction for the Met set out in the plan. Work is currently underway to carry out a formal mapping process between the Blueprint and the PCP to identify where the OMM is central to delivery of the PCP objectives and to identify any gaps in the Met's transformation plans.
3. The scale of ambition in the change portfolio is substantial – delivering new enabling technology, significant changes to the estate, major organisational restructuring of front line policing, new public access arrangements, and fundamental changes to policy and process underpinned by an approach to smarter working to improve productivity and efficiency in how policing is delivered for London. The portfolio also includes important changes in how information is gathered, analysed and used, underpinning the modernisation of our workforce. Fundamentally, the successful delivery of the OMM is central to ensuring that a

smaller and affordable Met can be as or more effective in keeping London safe in 2020 and beyond.

4. Faced with this challenge, we have recognized the importance of having high quality transformation and programme management capability in the portfolio and programmes to give us the greatest confidence in delivering the planned benefits. Historically, these professional skills have not been particularly valued or fostered in the Met. As a result, colleagues involved in change have rarely come from a linked career background and the Met has had to rely on consultancies and contractors to supplement the skills needed. Not only is this costly, but it does nothing to build the long term capability and capacity needed to support on-going change in the medium to long term.

Building an In House Transformation Capability

5. Following a procurement process endorsed by the former Deputy Mayor, the Met appointed Deloitte as its Strategic Portfolio Transformation Partner in July 2016. The 24 month Work Order delivers services in support of the three core transformation functions (Design, Portfolio Delivery and Business Change) but also heavily incentivises the Partner to build enduring and sustainable transformation capability in the Met.

Progress to Date

6. We are now in Month 9 and the output focused phase has progressed well to date. During this period Deloitte has also worked with us to develop a design for a permanent in house Transformation Directorate which is based on best practice taken from other organisations such as Crossrail, TfL and Credit Suisse. It will keep the Met up-to-date and at the cutting-edge of changes in policing demands, trends and innovation and will be able to support delivery of a portfolio of six strategic change programmes in steady state, with an ability to surge as required.
7. Progress in putting in place a solid foundation for the new Transformation Directorate is, however, less advanced than we had planned at this stage. Whilst focusing on this capability building strand, we are also having to manage and mature the existing change portfolio and manage the strategic issues and opportunities linked to the publication of the new PCP and the appointment of the new Commissioner, both of which may require changes to the portfolio and programmes.

Decision Sought

8. In light of the fact that the recruitment of resources to the right quantity and quality is taking longer to achieve, we now need to decide how best to proceed. This paper requests a decision from the Deputy Mayor on a short extension to the Work Order in both time and value.

C. OTHER ORGANISATIONAL & COMMUNITY IMPLICATIONS

Equality and Diversity Impact

9. There are considered to be no negative equality or diversity implications arising from this Work Order extension.

Financial Implications

10. The cost of extending the services of the Strategic Portfolio Transformation Partner is outlined in Part 2.

Legal Implications

11. The Mayor's Office for Policing and Crime (MOPAC) is a contracting authority as defined in the Public Contracts Regulations 2015 (PCR 2015). When awarding public contracts for goods and services valued at £172,514 or above, all contracting authorities must do so in accordance with PCR 2015. This report confirms the value of the requirement exceeds this threshold. Consequently, the provisions of the PCR 2015 will apply.
12. This report identifies the NEPRO framework agreement as its preferred route to market for the continued appointment of a Strategic Partner to deliver consultancy services. The report suggests due diligence has been undertaken to determine MOPAC can compliantly utilise the above named framework agreement for the purpose of awarding a call-off contract under it.
13. Paragraph 4.13 of the MOPAC Scheme of Delegation and Consent (the Scheme) requires that approval is obtained by the Deputy Mayor for Policing and Crime (DMPC) for all requests to go out to tender for contracts of £500,000 or above. This report is submitted to IAB pursuant to the aforementioned requirement.
14. Paragraph 7.23 of the Scheme gives the Commercial Director authority to award contracts (once properly routed through the usual governance process) with the exception of those called in through the agreed call in procedure. Further reports to Procurement Board will therefore be required to progress this matter to the award stage.
15. It is assumed any extension or modification to existing consultancy contracts with external suppliers will be changed in accordance with the terms and conditions of that contract.
16. On the basis of the information set out in this report, DLS are content for the recommendations to be progressed as referred to within the report.

Risk (including Health and Safety) Implications

17. This report does not directly impact on the health and safety of the MPS or its service delivery.

Consultation Undertaken

18.

| Key stakeholder engagement (up to what level) | Supportive / Supportive with concerns / Not supportive / Not affected |
|-----------------------------------------------|-----------------------------------------------------------------------|
| Director of People and Change | Supportive |
| Director Commercial and Finance | Supportive |
| DAC Transformation | Supportive |
| Transformation Director | Supportive |

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|------------------------------------------|------------|
| Commercial Director | Supportive |
| Commercial Services (Sean Lally-Randall) | Supportive |

Responsible Procurement

19. There are no adverse responsible procurement implications associated with this solution.

Report author: Robin Wilkinson, Director of People and Change